

CITY OF MCCLEARY
Regular City Council Meeting
Wednesday, December 11, 2013

ROLL CALL AND FLAG SALUTE Councilmember's Schiller, Reed, Catterlin and Peterson. Councilmember Ator arrived at 7:05 PM.

ABSENT None.

STAFF PRESENT Present at the meeting were Wendy Collins, George Crumb, Paul Nott, John Graham, Randy Bunch, Christiane Mercer, Colin Mercer, Todd Baun and Dan Glenn.

PUBLIC HEARINGS

PUBLIC HEARINGS ON MARIJUANA MORATORIUM AND MEDICAL MARIJUANA DISPENSARIES AND COLLECTIVE GARDENS **The Public Hearing opened at 7:01 PM.** Dan Glenn stated the current moratorium runs out at the end of the year. The issues keep getting more complex. Joy Iverson asked if there was a limit on how many moratoriums the council can pass on this subject and Dan Glenn responded no as long as there are appropriate reasons for the decision. The legislature still has a lot of work to do on this subject and Dan is hoping they will have something in place by next spring. **The Public Hearing ended at 7:06 PM.**

MINUTES APPROVED None.

CITY ATTORNEY REPORT None.

DIRECTOR OF PUBLIC WORKS REPORT None.

MAYOR'S COMMENTS Mayor Dent apologized for the sensationalism he has caused. He wants to make sure everyone understands how bad things theoretically could be. He said the City itself is not broke, it is the current expense fund that is in bad shape. The investment funds are part of the budget total, not separate. He said he is not going to impact the museum or the library in this budget other than the museum utilities. He added that current expense would not be in as bad of shape as it is if he hadn't discovered the fraud that was happening when he took office.

The City also pays \$90,000 a year to take care of a LEOFF1 retiree and the money comes right out of the police fund. This is something that is unavoidable and comes right off the top of the fund. The Mayor is eliminating one police officer and the police clerk. After that he will evaluate the performance and the value of other employees that may be impacted if he has to make further cuts. He said that is just a reality and he has to keep the city running. He will not declare the city bankrupt and said it will be a cold day in hell before he would do that. He will research police contracting next year. The budget he is proposing tonight is the best budget he can provide.

MEDICAL MARIJUANA DISPENSARIES & COLLECTIVE GARDENS Tabled.

Ben Ator arrived at 7:05.

LEMAY CONTRACT **It was moved by Councilmember Catterlin, seconded by Councilmember Reed to adopt Resolution 664 relating to public services; establishing and confirming fees; repealing Resolution 651, and providing for effective dates. Resolution Adopted 5-0.**

ORDINANCE NO. 799 MARIJUANA MORATORIUM **It was moved by Councilmember Catterlin, seconded by Councilmember Schiller to adopt Ordinance 799 extending the moratorium upon medical marijuana collective gardens and dispensaries and establishments involved in the sale, manufacturing, distribution, or use of marijuana imposed pursuant to the provisions of ordinances 793 & 797. Roll call taken in the affirmative. Ordinance Adopted 4-0.**

BUDGET PUBLIC COMMENTS

Helen Lake thanked Wendy Collins for contacting her to respond to her list of questions from the previous meeting. She said the answers made sense and she now understands things better and is willing to share with others. She urged the Mayor to please pay the museum utilities. Pauline Martin, McCleary Chamber of Commerce and owner of the Subway, has been talking to Tammy Antilla about coming up with a plan to take care of the museum utilities through the Chamber. She said there are options to use it as a chamber and a visitor center that can be considered.

Officer Randy Bunch asked if court would be cut. The Mayor said he will be going into negotiations with Elma for combined court services. Paul Nott asked if we combined the courts, would it be a substantial savings. Mayor Dent is hoping it can save the city a fair amount and Dan Glenn added that an analysis will need to take place before any real figures can be presented.

The Mayor was asked by a resident why he did not address the dire state of the budget sooner like he stated he will do next year. The Mayor responded that the cash balance was not bad this year and was not recognized as being dire until we started budgeting. Councilmember Schiller asked about the sewer fund balance because it looks really healthy.

Steven Friederich, Editor of the Vidette, asked what the impact will be on each customer for the Lemay increase. The rates are posted in the packet online for public to view and a notice will be published in the Vidette. The rate increase is scheduled to begin February 1, 2014.

Helen Lake asked if the sewer fund will be going up too and Mayor Dent stated the utilities will be going up 3% across the board and the utility taxes will remain the same. Helen was glad the 20% increase in water is over. Councilmember Catterlin commented that the 20% increase was for well improvements and that is why he is adamant about not using reserve funds for day to day expenses. If money had been steadily put into the reserve funds over the years, the city would not have had to increase the rates so high to pay for the improvements. Instead, we could have drawn from the reserve funds and saved the enormous rate increases. Helen Lake asked if the reason the rates went up is because of the fraud theft. She was informed the fraud did not impact the utility rates. Councilmember Schiller reminded her she has been at every meeting and should know this. The Mayor emphasized the rate increases were not to recover fraud.

Councilmember Catterlin stated the budget this year uses \$110,000 from reserves and transfers to balance the budget. He added, "Many of you that know me, know I don't favor using reserve funds to pay for day to day expenses. Reserves should be used for emergencies and capital improvement projects, therefore, before we vote on this budget", he addressed Mayor Dent and stated, "I need your word the Council will be included in preparations and negotiations for the levy and that we will start that process well before the levy is run so the voters will have all the information they deserve". Mayor Dent commented yes, that is correct and he has no problem with that. He told the crowd that Councilmember Catterlin is referring to the police maintenance and operations levy they plan on running. The city does not want to run it the same time as the school levy, which will run in February, so we will probably run ours in September and then rerun it in November, if we have to.

Councilmember Catterlin added that before they run the levy, he wants to let the voters know how much their taxes will increase before they vote on a levy to keep our police department at what level of service they want. Also, if the levy fails, they need to know what we can afford for the level of service they desire. Mayor Dent remarked that Councilmember Catterlin, and himself, may disagree on what is more cost effective between the City run police department or contracting with the County. Councilmember Catterlin does not want the voters to make a vote based on fear. Mayor Dent does not want to lose the police department. Councilmember Catterlin added he also wants the council to be included in searching out solutions for next years budget. He asked the Mayor if he has his word on these things. Mayor Dent replied that he will give his word that he will discuss these things but he must realize that the budget comes from the administration. He doesn't mind talking about it but the budget comes from him. He has no objection to this and the Clerk is always willing to work with the council too.

Councilmember Schiller stated he and Councilmember Catterlin have been very vocal about this budget and he would like to hear from the other three councilmember's what their comments are and what their take is on this budget. Councilmember Peterson stated he has been quiet because this is new to him and it's been difficult for everyone to go through when you start with nothing and end up with nothing. For him, it's been confusing for him until it's down in writing and he can see it. He thinks it's a good budget and we might as well take it. He believes it will be worse next year.

Councilmember Reed commented he has a good feeling about the administration of the city. He thinks the people that have done the work on this budget know what they are doing. There's been some adjustments and he thinks Councilmember Catterlin has been privy to a lot of that. Councilmember Catterlin added that the reason why he is asking the Mayor to let them be a part of the team is so that we don't have a crisis and so we don't get backed into a tough corner next fall. Mayor Dent commented he always thought they were a part of the team but in government there are separation of powers doctrines.

Councilmember Ator responded he thinks staff worked hard on the budget and has it where it will work for them and it will be okay.

Mayor Dent was asked by a resident what his level of service is for the police department. Mayor Dent replied that currently he has four officers and it will be cut to three officers next year, however, if things get better, he will bring an officer back. Councilmember Catterlin added that in comparing level of services, if a levy fails, we will have to take the amount of revenue that current expense will have and appropriate it for law enforcement when going into negotiations with the county. He won't dispute the fact it will probably be for a lesser level of service but we have to take the offer to the voters so they will know what they are voting on.

Pauline Martin stated this is all new to her and questioned the lay off's and running the levy. Councilmember Catterlin explained the levy lift restrictions and why we will be running one in September. Mayor Dent said he is holding on for Halo Steel to come in, he just doesn't know when. Pauline asked if the levy fails, will we not have a police force. Mayor Dent does not know the state of the budget later this year. Councilmember Schiller responded that current expense is taking from other funds to balance the budget. Pauline wants to know what other ideas the City has to increase revenues. Mayor Dent replied that current expense has a hard time finding revenues to support the budget and the best way to increase them is for growth to take place in the city. Pauline stated as a business owner, after losing the hospital and other businesses, she is cautious about doing too much with Elma and losing more dollars to Elma that should stay in McCleary. She loves McCleary and wants to do whatever it takes to keep McCleary going.

Councilmember Schiller asked about the money remaining in the sewer fund because \$55,000 is borrowed from light and power and they do not show as much ending cash. Todd Baun pointed out the amount left in the sewer fund is for the bond loan payment. Mayor Dent added this is not a line item budget, it is a fund level budget.

Terri Franklin stated people are not moving into town because the rates are so high and told the Council they have to start addressing this issue.

BUDGET ORDINANCE NO. 800

It was moved by Councilmember Ator, seconded by Councilmember Reed to adopt Ordinance 800 adopting a budget for the calendar year 2014 and establishing salaries. Roll Call taken with 4 in the affirmative and Councilmember Schiller voting against. Ordinance Adopted 4-1.

Councilmember Schiller made a final comment stating they had twenty days until this budget had to be passed, and truthfully, there hasn't been 100% effort in this budget tonight.

JUDGE BLAUVELT
APPOINTMENT

It was moved by Councilmember Ator, seconded by Councilmember Peterson to reappoint Judge Art Blauvelt. Motion Carried 5-0.

APPROVAL OF VOUCHERS

None.

PUBLIC COMMENT

Mayor Dent wished everyone a nice Christmas.

EXECUTIVE SESSION

None.

MEETING RECESSED

It was moved by Councilmember Catterlin, seconded by Councilmember Reed to adjourn the meeting at 7:52 PM until the first meeting in January and cancel the December 25, 2013 meeting. The next meeting will be January 8, 2014 at 7:00 PM. Motion Carried 5-0.